

Growing Our Entrepreneurial Communities

A Look Into the Physical Structures Supporting Entrepreneurship in Southern Minnesota

2019 | By: Zoë Masterpole, Research Assistant



Regional Sustainable
Development Partnerships

UNIVERSITY OF MINNESOTA
EXTENSION



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality



Center for Urban and
Regional Affairs | **cura**

UNIVERSITY OF MINNESOTA



DMC
Destination
Medical Center

The Community Assistantship Program (CAP) is a cross-college, cross-campus University of Minnesota initiative coordinated by the Center for Urban and Regional Affairs (CURA) and the Regional Sustainable Development Partnerships (RSDP). Funds for CAP have been generously provided by the McKnight Foundation, the Mary Page Foundation, CURA, RSDP and the Mary Page Community-University Partnership Fund.

This report is a co-publication of the University of Minnesota's Center for Urban and Regional Affairs (CURA), Regional Sustainable Development Partnership, and the Southern Minnesota Initiative Foundation.

The Regional Sustainable Development Partnership brings together local talent and resources with University of Minnesota knowledge to drive sustainability in agriculture and food systems, tourism and resilient communities, natural resources and clean energy. The Partnerships are part of University of Minnesota Extension.

CURA strives to be a nationally recognized model for university-community engagement and is founded on the belief that partnership between the university and the community is mutually beneficial.

The content of this report is the responsibility of the author and is not necessarily endorsed by CAP, CURA, RSDP, the McKnight Foundation, SMIF, or the University of Minnesota.

Southern Minnesota Initiative Foundation is a regional development and philanthropic organization that fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership.



This work is licensed under the Creative Commons Attribution--- NonCommercial-ShareAlike 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/> or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA. Any reproduction, distribution, or derivative use of this work under this license must be accompanied by the following attribution: "© The Regents of the University of Minnesota. Reproduced with permission of the University of Minnesota's Center for Urban and Regional Affairs (CURA)." Any derivative use must also be licensed under the same terms. For permissions beyond the scope of this license, contact the CURAeditor.

This publication may be available in alternate formats upon request: Center for Urban and Regional Affairs (CURA); Phone: (612) 625-1551; E-mail: cura@umn.edu; www.cura.umn.edu

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.

Cover photo from <https://ecorner.stanford.edu/article/entrepreneurship-can-be-learned/>

Table of Contents

TABLE OF CONTENTS	2
EXECUTIVE SUMMARY	3
PROJECT OVERVIEW	4
METHODOLOGY	5
SURVEY	5
INTERVIEWS	5
RESPONSE RATE.....	5
LIMITATIONS.....	5
QUESTION 1	6
COWORKING	6
INCUBATOR.....	6
ACCELERATOR.....	7
ECONOMIC DEVELOPMENT ORGANIZATION	7
OVERALL.....	7
QUESTION 2	8
QUESTION 3	9
QUESTION 4	9
QUESTION 5	10
QUESTION 6	11
QUESTION 7	11
FUTURE EXPLORATIONS	12
CONCLUSIONS	13
CASE STUDIES	14
ALBERT LEA ECONOMIC DEVELOPMENT AGENCY (ALEDA)	15
SPRING GROVE ECONOMIC DEVELOPMENT AUTHORITY	16
COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES (CEDA)	18
CENTER FOR INNOVATION AND ENTREPRENEURSHIP	19
OWATONNA AREA BUSINESS DEVELOPMENT CENTER	20
RED WING IGNITE	21
FARIBAULT DIVERSITY COALITION	23
MOGWAI COLLABORATIVE	24
NETTLE VALLEY FARM INCUBATOR	25
APPENDIX A	26
APPENDIX B	27
APPENDIX C	28
APPENDIX D	29
APPENDIX E	30
APPENDIX F	38

Executive Summary

The overall aim of this research was to gain understanding into how the physical and financial structures that support entrepreneurship have influenced and enhanced the region's capacity to innovate, grow entrepreneurs and create wealth in southern Minnesota. This evaluation focused on collecting information through surveying and interviewing incubators, accelerators, coworking spaces, and economic development organizations in the region to answer the questions being asked by the Southern Minnesota Initiative Foundation (SMIF) in partnership with Destination Medical Center (DMC). The information gathered was then analyzed, the results of which are presented throughout the report and in appended case studies. Not only does this paper strive to increase understanding of existent entrepreneurial support organizations in the region on the part of the partner organizations soliciting the research, but also their capacities to provide assistance; the implications for this also being that future communities who want to support entrepreneurship may have a better knowledge of best practices from throughout the region.

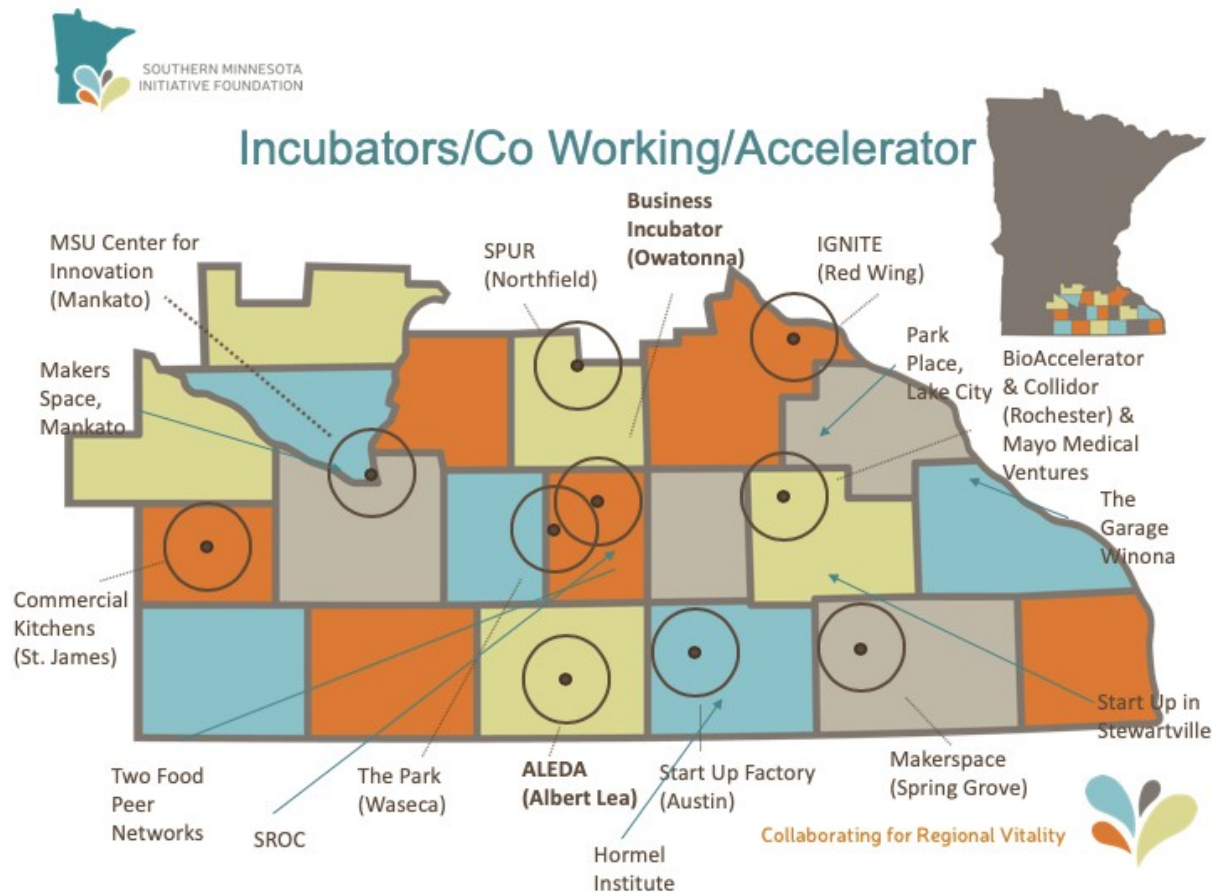
While this research was not able to find numerical evidence of the region's entrepreneurial capacity, it does present other important discoveries. One such finding is that despite differences in an organization's self-determined categorization of role – those being coworking, incubator, or accelerator - all entities with a direct entrepreneurial focus saw themselves contributing to the economic development of the region.

A second substantive discovery relates to the “connectedness” of the organizations in Southern Minnesota. Connections each organization discussed were, for the most part, within the same city or among the few organizations that are more ubiquitous across the region - those being SMIF, Community and Economic Development Associates (CEDA), the Minnesota Department of Employment and Economic Development (DEED), and the Small Business Administration through its Small Business Development Centers (SBDC) counselors. While it seems like organizations focus on using their physical space to establish connections, it turns out the networks established - work that can be done by staff – are often as important to create those connections for both entrepreneurs and organizations. This ability to connect both provides more value to the entrepreneurs, but also can expand the organizations resources by through programmatic partnerships.

The value entrepreneurs perceive from these resources and programs is an important to understanding the connection between them and the organizations as well. The overwhelming majority of organizations connected with had no way of collecting feedback from the entrepreneurs they serve, so they were asked to describe the value they intended to provide to those they serve. All of the responses received were evenly spread between ideas of providing connections, helping with business planning, and saving capital for entrepreneurs. Future evaluative efforts should look to understand how successful these organizations are at achieving this by collecting feedback from the entrepreneurs served.

Based on the information collected and given what information is still missing, there are many future opportunities for the improvement in the capacities of the Southern Minnesota entrepreneurial community. The first path would be to improve monitoring and evaluation efforts at the level of the organizations. This would help illustrate the impact their programming and services are they offer are having and determine if they are fulfilling the goals they have set for themselves, including the broader economic impact they are often striving for; second, create feedback mechanisms for entrepreneurs to further engage with the broader entrepreneurial community but also to provide more opportunities assure that their needs are met by the services being provided; third, increase the regional connectivity of these spaces and broaden the available network of interaction – This can improve the limited resources that put a strain on the organizations by leveraging the programs and resources that other organizations already offer. Furthermore, this connectivity can also help create homogeneity in those monitoring and evaluation metrics so that the region can more easily access its progress as a whole. In general, such ameliorations to the system, as suggested by participants already working in these communities, will help to expand upon the innovation and growth throughout Southern Minnesota.

Project Overview



The bulk of this report is devoted to answering the questions about the coworking spaces, incubators, accelerators, and economic development organizations highlighted in the above graphic¹. These questions were derived in collaboration with in partnership with SMIF and Destination Medical Center (DMC). Answers to these questions will be analyzed to inform subsequent policy and programmatic efforts in the region.

Question 1: How is the space or program defined and how did they come to define that?

Question 2: What components of the entrepreneurial ecosystem does their space/region possess?

Question 3: Do these hubs collaborate with other hubs? From the same region?

Question 4: What does the business side of their operation look like?

Question 5: How do they measure growth from their centers?

Question 6: What value are entrepreneurs getting from these services?

Question 7: What services and/or resources would be helpful for the organization?

¹ Graphic provided by Southern Minnesota Initiative Foundation

Methodology

Survey

An online survey was used to collect information about the first two research questions: the terms used to define each enterprise, how they define that term, their organizational capacity, and their perception of the state of their entrepreneurial ecosystem. The survey was distributed via email to a list of organizational contacts gathered by the Southern Minnesota Initiative Foundation (SMIF). The email contained information about the research being performed and encouraged the completion of the survey by suggesting it was to the benefit of their organization and the region. A follow-up message was sent two weeks later to those who had not filled out the survey so as to encourage increased participation.

Interviews

In addition to the survey, 11 interviews were performed. These interviews were solicited from the aforementioned contact list based on suggestions from the partner organizations who sought equal representation from private non-profit, private for-profit, and public economic development organizations. These interviews used the surveys as a baseline from which these organizations were posited the remaining questions.

Response Rate

Appendix B features a table including all the organizations to whom the survey was distributed, as well as notes if they responded. There were 17 unique responses out of 30 recipients, a 56% response rate. When soliciting participants for interviews, only three organizations did not respond; here, others were supplemented to get an ideal distribution of organization types. A full list of which organizations were solicited, and which responded can be found in Appendix B.

Limitations

Despite attempts to be as comprehensive as possible when assessing regional entrepreneurial support capacity, these methods are not without their limits. One such example can be given by the fact that surveys and interviews were performed only among organizations who work with entrepreneurs, and not the entrepreneurs themselves. This means that the responses received, and subsequent analysis of those responses, are missing an important perspective central to promoting entrepreneurship in the region. Organizations were asked to speak to what they perceived entrepreneurs concerns to be through their work with them but that cannot substitute directly for first-hand information. Additionally, some questions were posited about the organization and its immediate surroundings, making responses best interpreted within that context. Those responses are consequently best analyzed as the perspective of each, individual organization as an independent case study. The remaining analysis that occurs in this report focuses on an aggregation of all the interviews, thereby enabling cross-county trends to be identified from more general questions.

Additional bias needs to be considered in the organizational structure of the research: that organizations were recommended by the SMIF could have biased interviews through selection. Those who filled it out could have done so because they have a better relationship with SMIF. Conversely, those who did not fill it out or were not interviewed may be less connected to the organization, its resources, and might express different opinions.

Question 1

How is the space or program defined and how did they come to define that?

This question looks at how these enterprises defined themselves and how they came to that definition. This information was solicited through the survey, where respondents were given the following choices to describe their enterprise: incubator, accelerator, coworking space, economic development organization, and other. The terms and their solicited definitions were compared across organizations to assess common themes. These themes were then compared to consensus definitions (Appendix C) found in the literature to identify possible discrepancies or agreements, across the region, in perceptions of what coworking, incubator, and accelerators are and what corresponding services they provide.

Don Macke, from the Center for Rural Entrepreneurship, said that coworking spaces, incubators, and accelerators are all premised on the idea that you can get entrepreneurs into proximity with one another if they are provided services by these spaces and organizations. As we go from coworking, to incubators, to accelerators, the level of assistance available by these organizations tends to intensify and become more sophisticated. These findings can be seen in survey responses as the services offered from each organization increase according to their place on the spectrum of organizations with an entrepreneurial focused assistance.

Coworking

The scholarly definition (Appendix C) of a coworking space is a localized space where independent professionals share resources and knowledge with the rest of the community. Many of the ideas captured in that definition were expressed by the coworking respondents. Their responses centered around the shared services they were providing – such as office space and wrap-around services like printing – as well as who utilized them. It is notable that they see themselves as resources for the whole community, on top of the entrepreneurs and remote-workers that they serve more directly as members.

There were six survey respondents who identified their enterprise as a coworking space. Four of those were exclusive coworking spaces, one also had private office space, and the last also identified as an incubator and economic development agency.

Incubator

An incubator is defined as an organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services which may include physical space, capital, coaching, common services, and networking connections. Its defining characteristics include that they are non-profit organizations and that they frequently work in conjunction with a university. They provide office space for the local start-ups they support, and they do not invest financially in the start-ups.

There were four survey respondents who identified their enterprises as incubators. Of those, three also identified their organizations as economic development organizations. Two labeled themselves as accelerators as well. The responses touched on some components of the researched definition of incubators, such as physical space, coaching from experts for early stage businesses, and networking within the community. There were mentions of educational programming, but no mention of any connections to universities.

Accelerator

Accelerators are typically defined by a for-profit status where the organization receives equity in exchange for the provisions of funding. They provide meeting space, but not necessarily office space, and their start-ups are regional, national, or even global.

The organizational definitions for an accelerator are very similar to those for incubators, aligning up with similarities discussed by the literature. One important addition is the mention of funding, not necessarily in exchange for equity, which was not discussed in the other three definitions. There were specific mentions of office space, an idea which is more indicative of incubators.

The Center for Innovation and Entrepreneurship elaborated further on the terminology during our interview. They said they do not brand themselves an accelerator even though they believe that they are. They are not doing seed investments that accelerators are usually associated with, but they are participating in the connections, mentorships, educational components, and public pitching typical of this type of organization. They specifically focus on students and are associated with a university, a trait typically matched to incubators.

Economic Development Organization

Economic development organization was the most commonly used term with 11 of the respondents identifying themselves as such, six doing so exclusively. The non-exclusive use of economic development organization may come from the fact that many organizations mention that their programming and services help develop the local economy and grow jobs.

Those who exclusively identified as economic development organizations mentioned the interconnectedness of their organization with government. This is both in its creation, by statute or city council action, or through being directly within the structures of city or county government. Their focuses were all local, typically at the city level.

Overall

All of those who identified as an accelerator or incubator also identified as an economic development organization. This is an important finding because it expresses that these organizations feel connected to the economic benefits that come with supporting entrepreneurship. None of those who identified strictly as coworking shared this joint identity. This may be because their clients expand beyond entrepreneurs and include remote workers.

Those described as incubators and accelerators (but not coworking spaces) still mentioned the use of space in their self-descriptions. In fact, when analyzed, space shows as the most mentioned provision among participants from all three categories. This shows that physical space is viewed as an important asset to growing entrepreneurship. Incubator and accelerators both mention educational programming, but accelerators additionally mention funding making capital the distinguishing characteristic between the two terms. When the incubators identified who utilizes their services, they focused on the community and local businesses, whereas accelerators focused on entrepreneurs and less on community.

Generally, organizational definitions did stray from the academic terms and organizations frequently admitted to using terms even if they did not provide services that aligned with that term. Given the ambiguity of those terms, this report will label organizations as public economic development, private non-profit, or private for-profit.

Question 2

What components of the entrepreneurial ecosystem does their space/region possess?

The questions probing into the entrepreneurial ecosystem components available to each organization was solicited both through surveying and interviewing. Respondents were prefaced with an explanation of the components that make up an entrepreneurial ecosystem. These are: Infrastructure, such as space or connectivity; Expertise, as in growing businesses; Support services, which exist in the form of industries such as banking, IT, etc.; Capital in various forms; and Community enablement, as represented through education, entrepreneur friendly-policies, etc.

Survey respondents were subsequently prompted to express how success within each area might be defined for the community or ecosystem they work in. This was solicited to provide respondents with the opportunity to reflect on the state of that component in their community as compared to their perceptions of its success.

The responses regarding infrastructure were overwhelming around physical spaces, both retail and collaborative. Quality, affordable private offices and storefronts were highlighted as needs in eight responses. Emphasis was also on collaborative spaces for a variety of people and groups like non-profits, start-ups, and the business community as a whole. Those spaces were expressed as being desirable for the sharing of resources.

Success in expertise was suggested as resembling consultants and advisors, but also formalized sharing structure that enabled connections between the experts and those who need advising. A variety of capital needs were mentioned in regard to the needs of support services in a successful ecosystem. These includes angel investments, harnessing local wealth, and grant funds. Other services were emphasized as well as seen in the following response provided by a research participant:

“Having multiple lending sources that understand entrepreneurial business needs, vendors of technical services that cover a wide spectrum of needs, professional services such as legal, accounting, and marketing to support new business starts.”

When asked about capital needs more specifically, there was emphasis placed on providing capital which would be accommodating to the needs of start-ups, but also to established businesses. Venture funding and private equity were highlighted as two types of capital needs. Some responses around capital did mention the process of connecting entrepreneurs to capital, for example, from one participant:

“Having a micro-loan fund available for small expenditures needed during the early startup stages. Having a smooth process to refer businesses that are further along to find capital in the community (SBDC/SBA loans, etc).”

Success in the realm of community enablement revolved around entrepreneurial programming. Emphasis was placed on educational programming using college courses, school projects, and job training. There was also emphasis given to the need for support of these programs from the community.

The measures of success that were established in the five previous categories of explanation were then used, by the respondents, to rank the status of each component in their community. They were asked to rank the five by their maturity of development, with one being the most developed and five the least developed. Subsequent analysis reveals that capital received the highest averaged ranking as the least developed component. Support services and expertise tie as the most developed, on average. It is worth noting that these responses are specific to the location of the respondent; using these results to speak about the region as a whole should be done with caution.

Question 3

Do these hubs collaborate with other hubs? From the same region?

Each interviewee was asked about previous and current collaborations that they are involved in. These were used to understand how connected the region's organizations were to each other and to other resources.

A few organizations stuck out as being ubiquitous across regions; those being SMIF, CEDA, DEED, and the Small Business Administration through its Small Business Development Centers counselors.

Any connections mentioned, with the exception of a few organizations that collaborated with organizations in towns along the Iowa or Wisconsin border, were from the same region, most often from the same city.

When asked how connections were made between organizations and entrepreneurs, one idea that came up several times was curation, the process of facilitating connections. In line with this idea, Don Macke stated:

"...I think one of the keys is that [network] has to be curated. That is why you need staffing. That is why you need somebody who's really good at networking saying, 'John and Mary are doing this, and you are doing this, and I think you guys could work together to really do something special.' So that active curation creates the value case."

He added, thereafter, that curation is often more important than creating a physical space in connecting entrepreneurs. He further recounted seeing organizations put capital into repurposing buildings so as to create spaces for entrepreneurs to connect but that it was more often being done, to a more effective degree, with good staffing and programming.

Question 4

What does the business side of their operation look like?

The organizations we looked represented a variety of non-profit and for-profit operations each with a different financial situation. Some organizations used earned income programming - like selling coworking space memberships or rental properties - to fund their organization's other programming efforts. ALEDA, for example, used the bill of property and rental income on buildings they own as their main source of funding allowing them to be self-sustaining. Other commonly cited funding sources included grants issued by local and national organizations or levy taxes from local tax bases.

There was a commonly expressed need for more financial and staffing resources; many organizations suggested they were only breaking even. Programming and services being offered seemed to be capped by staffing as well, which is highlighted in this quote by the Spring Grove EDA:

"I just wish we had more capacity. I think a lot of small towns don't have the capacity that they need to get things done because they just simply do not have the tax base to cover it and so I think that is a main struggle that myself in a lot of my colleagues have that we want to do everything...we just do not have the time or money to get everything done."

Question 5

How do they measure growth from their centers?

Question five explored each organization's capacity as a way of understanding where possible areas of growth may be. This question was utilized to determine what metrics are relied on to describe their capacity as an organization - capturing the organization's current capacity and their maximum potential capacity. For places using memberships as revenue - like many of the coworking spaces - this was another way of understanding their financial viability, a proxy for looking at the operational side explored in question four. Future evaluative efforts could also use the capacity data as a baseline.

All five economic development organizations used staffing in their capacity metrics. The incubators and accelerators used a combination of the number of start-ups or early stage businesses supported, space, educational programming, and staffing to define their capacity. Coworking spaces used membership levels and one also used private office space.

In addition to capacity, organizations were asked what evaluation metrics they used. While many of the organizations did not do any tracking, a few organizations used metrics that tracked entrepreneur participation in programs offered, such as the number of people who attend an event. While this is useful information for the organization to improve programming and monitor growth, it does not fully speak to the larger impact an organization is having in the community. There is a noticeable absence of metrics that connect organizations actions to the impacts in the community or broader region.

This idea was captured during an interview with the Center for Innovation and Entrepreneurship, who said:

“There are a lot of organizations that measure wing-flapping, like how many people showed up at the center, how many people showed up for our events. That is wing flapping. Yeah, it is activity but not necessary launching businesses, creating jobs, the end result that you want which is the flying.”

One exceptional attempt at capturing their organizational work can be found in Red Wing Ignite, who uses all of the following metrics and more: businesses recruited or supported, number of events hosted, mentorship hours, number of start-ups pitched to investor, investors pro-actively engaged, number of coworking tenants. The rest of the metrics they use can be found in their annual reports, excerpts of which can be found in the case study. It should be noted, however, that these metrics don't comprehensively capture the end economic benefits that the community is receiving because of the programs being monitored.

Despite organizations having different missions and interests, there is a commonality of viewing their work as have economic impact. Despite this commonality, there is no homogeneity in the region regarding metrics that capture said impact.

When talking to a consultant for CEDA, an organization with representative all over Southern Minnesota, they stated:

“I think everyone tracks their progress and outcomes, but they do it in a different way in each community. Every community is different.”

Question 6

What value are entrepreneurs getting from these services?

This question aimed to look at the feedback mechanisms that the organizations have in place for establishing the value they provide to the entrepreneurs using their services. Only one of the twelve interviews could provide an example of a feedback mechanism that they used. This included surveying the entrepreneurs to understand if the organization helped their entry into entrepreneurship and if entrepreneurs were made aware of resources that they did not previously know about.

Each interviewee was asked to describe the value proposition their organization is offering to entrepreneurs who connect with them, a key to understanding the impact they are intending to have. The overwhelming majority had no way of collecting that information from those they serve, so they were asked to describe the value they intended to provide to those they serve. All of the responses received were evenly spread between ideas of providing connections, helping with business planning, and saving capital for entrepreneurs. The connections they hoped to be fostering were between peoples and resources, both inside and outside of their service areas. They also aspire to help entrepreneurs with business plans, giving entrepreneurs time to work out issues with their business in a lower-stakes environment. Starting an entrepreneurial enterprise requires a lot of up-front capital and these organizations strive to make what capital these entrepreneurs have last longer by offering their services for free.

Outside of Southern Minnesota, there are efforts that are being pursued by other incubators, accelerators and economic development agencies that could be adapted by region's entrepreneurial support organizations as they align well with these expressed goals. One notable idea that has been done in other parts of the country and aligns with the organizational value of lowering costs for entrepreneurs in Southern Minnesota - but is not yet being done by those interviewed - is that of pop-up shops. These structures lower the risk for business owners to try out a brick and mortar location, while simultaneously encouraging the support of local real estate. Another idea which has been presented elsewhere in the country is pairing economic development organizations with local building owners to subsidize building rent as a means of creating plans to graduate the business to full-rent with minimal financial risk. As the business grows and generates greater cash-flows and revenue, it starts to take on a larger portion of the rent; if they did not have a viable business model, they would otherwise have to exit the space.

Question 7

What services and/or resources would be helpful for the organization?

Each organization was asked what programming or resources they needed in order to best support local entrepreneurs and grow their entrepreneurial ecosystem. Each organization's response was different and grounded in the context of their ecosystem. The specifics of each stated need are located in the case studies.

The responses were analyzed collectively to find emergent themes. For a majority of responses, needs fell under the category of capital. This included things like access to private equity, seed funding, money for staffing and programming, and land. Another common component was education for entrepreneurs as it relates to capital and

how access it. It was mentioned frequently that entrepreneurs request information on how to obtain grants when, in reality, there is little grant money available for entrepreneurs; subsequently, they need to take out loans which they often are not in a place to be financed. The lack of capital resources is expressed well in the following quote from Red Wing Ignite:

“Entrepreneurs come to us looking for the dollars so it’s hard for them to pay us for our work. And non-profits around the region, it’s hard for us to compete for state-dollars or federal dollars. Though we have some. We are all, even though we shouldn’t be, there are limited resources of funding that most organizations are also looking at.”

Connectivity both to resources and people, in and outside of their communities was another expressed need for multiple interviewees. They often stated that SMIF would be a great organization to work on efforts related to connectivity because their presence in the region is so wide-spread.

The remaining requests fit under the umbrella of resources, such as the creation of a financial forecasting format that could be used universally to create business plans in the region and to improve collaboration and processing. This also would utilize SMIF’s position and influence throughout the region as an organization that can promote the adoption of practices region-wide.

Future Explorations

Originally, there was a desire to find metrics at the organizational level that spoke to the work that each organization does, from which information could be gathered to analyze the region’s potential or capabilities to support and grow entrepreneurship. While this information was not able to be collected, the Kauffman foundation provides sources of federal government data like the Annual Survey of Manufactures, Census of Services, Survey of Business Owners, and Statistics of U.S Businesses. This data, in collaboration with the themes presented from this research, can be used to further identify possible points of intervention.

The region could benefit from increased capacity building in monitoring and evaluation. Bringing these organizations together would be very valuable to figure out what activities are working in the region and which outputs they think will be the most representative of the successes their organizations are having on the local economy and entrepreneurial ecosystem. This would help both improve capacity for the staff and organization but will also allow for self-reflection on whether the region is creating truly accomplishing the impact it aspires to have or if there are ways to accomplish their goals.

There was one research question which was not answered in-depth and could benefit from further exploration. The original intent of question six was to gain an understanding of what entrepreneurs in the region saw as the value of the services being offered by these enterprises. It was intended that a survey would be distributed to the entrepreneur-partners of the organizations interviewed. This did not occur because of time constraints. The value proposition of each organization was solicited and could be used as a surrogate for the responses of entrepreneurs.

Discussions with a CEDA consultant brought up the possibility of using the Small Business Development Center (SBDC) as a source of data that captures the region's efforts as a whole.

“As far as the individual business coaching that we work on, we do track that. For example, if I'm helping a company with an expansion I will look at how much money to EDA is invested, how much of other localities invested, what the private investment leverage was, what the increase tax base would be, what the number of jobs would be so those are the metrics that we use to help track those business stories for sure.”

Each time a SBDC counselor meets with an entrepreneur to do business coaching, they fill out information regarding the interaction; at the minimum, this could be the quantify the number of coaching hours completed in the region as a whole. Another way to capture entrepreneurial capacity could be through story capture - depending on privacy restrictions, the SBDC data could be used to find entrepreneurs that have been helped in the region and see how impactful that counseling has been.

The application SourceLink – software being used by Grow North for entrepreneurs and in Rural Enterprise Venture (REV) communities - was brought up during one of the interviews and harmonizes with a lot of the needs that expressed by different organizations. Those working with the REV project expressed that there are barriers to it being used fully in these communities. Looking into these programs and their barriers to use for different user groups could provide valuable information.

Conclusions

While this research was not able to assess the impact these spaces are having on the region through evaluative metrics, based on the information we collected there are recommendations which can be made that would further help tell that story.

Connecting the desire for economic impact found in their organizational definitions and the lack of metrics discovered, the first path would be to improve monitoring and evaluation efforts on the organization levels to ensure that the programming and services they are offer are fulfilling the goals they have set for themselves, including the broader economic impact they are often striving for. Second, create feedback mechanisms for entrepreneurs so that they are engaged in the entrepreneurial community more but also so their needs can be what is dictating the services provided in each community. Third, increase regional connectivity for these spaces. This can improve the limited resources that put a strain on the organizations by leveraging the programs and resources that other organizations are already offering. This connectivity can also help create homogeneity in those monitoring and evaluation metrics so that the region can more easily access its progress as a whole.

The aforementioned paths laid out should be considered only if they are explored and future developed by those within the region's organizations to ensure a greater likelihood of success. With increased evaluative data from the organizations focusing on entrepreneurship in the region and programming that is developed in accordance with the guidelines in this report, the region's capacity to grow innovation and entrepreneurship will be more easily captured, built upon, and sustained into the future.

Case Studies

Albert Lea Economic Development Agency (ALEDA)

Formed

Made up of Greater Jobs, which was established in 1944, and Albert Lea Port Authority, established in 1987, which were brought together in 2003.

Services offered

Albert Lea Entrepreneur Advancement Program (ALEAP) which started from a grant for SMIF. A tiger cage business case competition with two winners receiving \$10,000. They have a revolving loan program, some micro loans for entrepreneurs early in their journey, others for larger businesses.

Funding sources

Main source is the property and buildings that they own through rental income. They are also able to levy taxes through their port authority taxes if needed. They are currently self-sufficient and don't take any budgetary money from the city or the county.

Collaborations

Partner with Riverland community college to offer subsidized cost classes for small businesses and entrepreneurs. Partner with SMIF. They want to do more with other communities as seen in the quote below.

"It is more valuable if we focus on what is really feasible and what we have capacity to do in Albert Lea and work with our regional partners to be able to refer people to different things that they are already doing and spending energy on things that don't make sense for us to be doing."

Metrics for growth

Keep track of how many businesses have started since they began participating in ALEAP and they gave quotes about the value of the program through interviews.

Feedback mechanisms for entrepreneurs

None.

Needs

"I think SMIF would be the right organization to find a way to get us communicating or start that resource sharing, whatever it should be.... I think it would be well received if it was led by SMIF because SMIF isn't really tied to one certain community and SMIF has a lot of access to entrepreneurs..."

Spring Grove Economic Development Authority

Formed

1990

Services offered

SBDC counseling, EDA events like entrepreneur happy hours, free business classes.

Funding sources

Previously was run by volunteers. Then local nonprofits fundraised to be able to pay for the contract with CEDA. Those philanthropic efforts weaned themselves off and now the city allocates money through its tax levy to the EDA.

Collaborations

Makerspace at the Spring Grove School District, partner with classes on community development projects like the Spring Grove Heritage House being built with Habitat for Humanity. SMIF.

Metrics for growth

Number of people who attend events and if they return to other events, track business coaching, EDA investment, other localities investment, private investment, increase in tax base, number of jobs created

Feedback mechanisms for entrepreneurs

Collection of informal testimonials or news sources that highlight entrepreneurs.

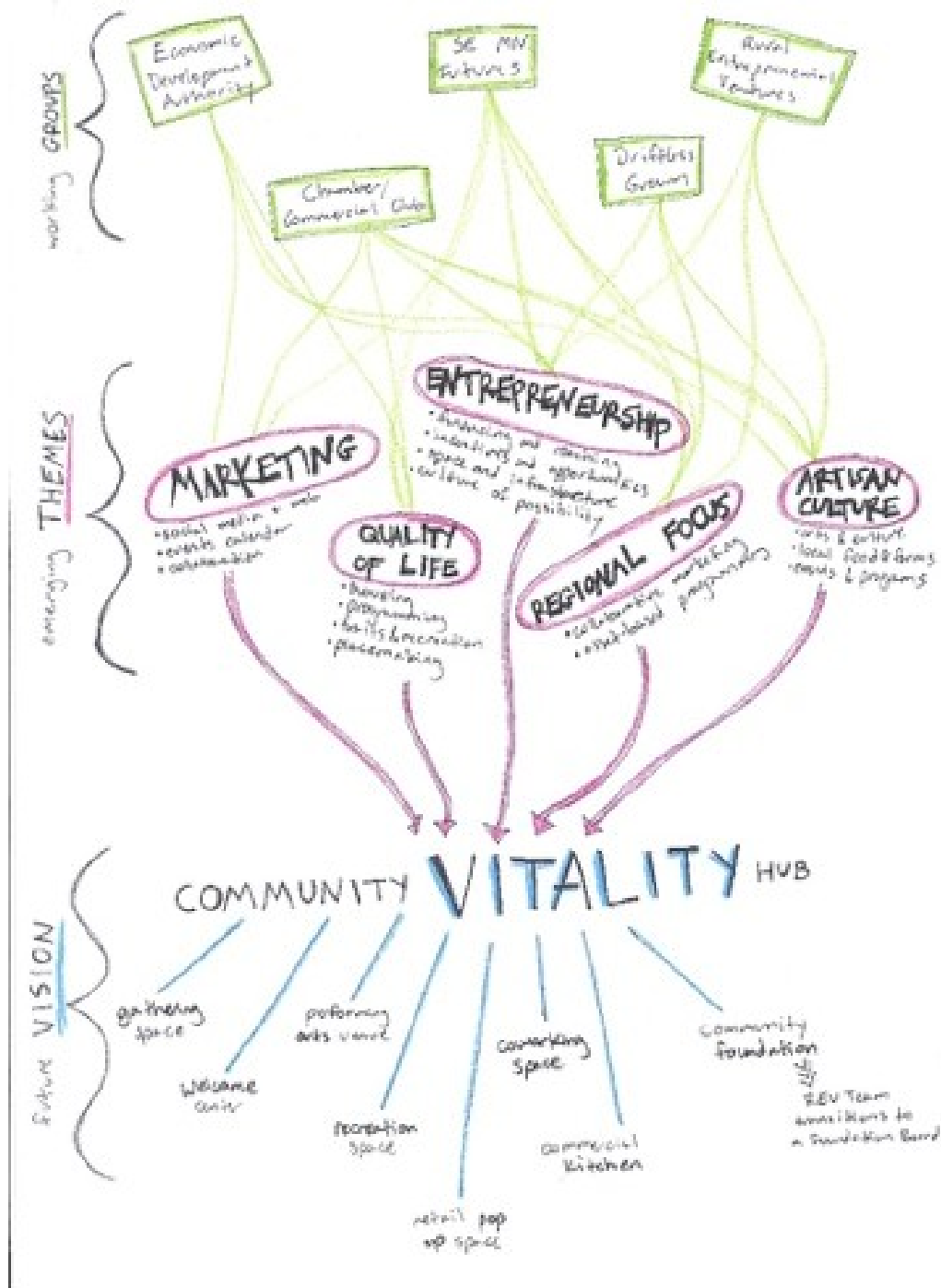
Needs

A gathering space for people to connect with other people and businesses and a chamber of commerce. They often have memberships and act as a social place for business conversation and advocacy. This would be able to act as a neutral organization but can work with the EDA. Their joint office would be an informal coworking space for people to work and host meetings while having them there to answer questions or give assistance when needed. This idea is similar to one that has been successful outside of Minnesota where you bring together those who are supporting entrepreneurs and have them share an office space while providing wrap around services that a normal coworking space would have through the surrounding community partners (local print shop, coffee shops, etc.)

Additional-

Below is a visual of the Spring Grove community's vision for the future.

SPRING GROVE: a vision for the future



Community and Economic Development Associates (CEDA)

Formed

Started in 1986 as the Southeastern Minnesota Development Corporation. Changed in 2010 to Community & Economic Development Associates (CEDA).

Services offered

Does community development consulting by contracting with different municipalities and counties to provide their services. All employees are certified SBDC counselors.

Funding sources

"A major percentage of our revenue comes from the contracting we provide in the cities, counties and organizations that we work for. We do have some funding that we receive, that picks up most of our budget."

Collaborations

Red Wing Ignite and Southern Minnesota Initiative Foundation.

Metrics for growth

"As a non-profit, we don't look strictly at the bottom line, but we do need to get close to break even, if not break even. We look at the projects we fund, the grant dollars that we bring in, the tax base that is increased, the jobs that are created, The retention of business. All day life in communities."

Feedback mechanisms for entrepreneurs

Mechanism set up for individual contracts with the cities and the economic development authorities through evaluations that are filled out yearly. Do not have formal feedback for entrepreneurs

Needs

Organization of who does what in the region.

Center for Innovation and Entrepreneurship

Formed

2017. Started because of efforts by Brenda Flannery in response to the report in 2009.

Services offered

Hosts 1 million cups and social media breakfast, educational programming, provide meeting and work space, and a venture competition- The Big Ideas Challenge. All programming is focused on student entrepreneurs but open to others.

Funding sources

Mankato State University.

Collaborations

Greater Mankato Growth, Small Business Development Center, Southern Minnesota Initiative Foundation, University of Minnesota for Minnesota Cup, Twin Cities start-up week, James J Hill library in Saint Paul, Department for Economic Development for the state of Minnesota, and Region 9 development commission.

Metrics for growth

"I find the measurement part to probably be the hardest thing of the whole deal. We try to measure as much flying as we can and not as much wing-flapping. There are a lot of organizations that measure wing-flapping, like how many people showed up at the center, how many people showed up for our events. That is wing flapping. Yeah, it is activity but not necessary launching businesses, creating jobs, the end result that you want which is the flying. Right now, we are adding up all the times when we see someone takes flight and we record that and say 'okay, that was a good one'."

Feedback mechanisms for entrepreneurs

None mentioned.

Needs

Seed Investment which is done by connecting the dots between the people who have the money and the people who need it to get their businesses up and going.

The Director of the center recognizes that she cannot be the person that's doing all of the connecting so they created is a website, MNSU.Startuptree.co, to help. It is an online way to start making connections between mentors and other resources in the community to help them make some of those connections without the curation of the director. Now they are just trying to get users invested.

Owatonna Area Business Development Center

Formed

1988

Services offered

Consulting services, 30,000 sqft² of manufacturing space, and office space

Funding sources

The city and the Small Business Development Center jointly pay for the counseling hours.

Collaborations

The red line connection SCORE is because there are rules in place that prevent collaboration between them. They can refer clients to SCORE but they are not able to work together. The dashed line is for future connections. In this case, the connections were made through this research.

Metrics for growth

They use the mission statement *“Foster small business growth and create an environment conducive to business success in the Owatonna area”* to determine if they are achieving what they hope. This includes metrics like the number of businesses being helped and offering services that are desired by the entrepreneurs.

Feedback mechanisms for entrepreneurs

None.

Needs

Region-wide consistency in the format for financial spread and forecasting. Could be done through software that commercial bankers use but geared towards the public sector. Additionally, access to Risk Management Associates industry averages

Red Wing Ignite

Formed

2013

Services offered

Red Wing Ignite supports entrepreneurs with mentors, investors, customers. They operate an angel fund that businesses can pitch to. Recently they started the Entrepreneurs First (E1) collaborative which is a piloted program funded by SMIF that will be an easier, more efficient way to connect resources.

Funding sources

One revenue stream is the monthly coworking memberships, which start at \$50/month and private offices for \$300/month. They also receive funding from the Minnesota Department of Labor, Blandin Foundation, Excel Energy, Goodhue county, ADM, City of Red Wing, Jones Family Foundation, SMIF, and US Ignite.

Collaborations

MSU southeast for makerspace, Red Wing Port Authority, CEDA, SMIF, the organizations involved in the Entrepreneurs first collaborative.

Metrics for growth

The following metrics are used to capture impact on the local business environment: Businesses recruited or supported, number of events hosted, mentorship hours, number of start-ups pitched to investor, investors pro-actively engaged, number of coworking tenants. Excerpts from the 2018 annual report produced by Red Wing Ignite can be found on the next page. These show metrics used for their other programming areas as well as growth they have experienced since 2014.

Feedback mechanisms for entrepreneurs

Previously surveyed entrepreneurs on questions relating to how Red Wing Ignite helped entrepreneur's entry into the world of entrepreneurship and if the entrepreneurs were made aware resources because of Ignite that they did not previously know about.

Needs

Continued support from Southern Minnesota Initiative Foundation.

ADVANCING OUR ENTREPRENEURS



7x

Increase in entrepreneurs supported.
Up from 10 in 2014 to 73 in 2018.

PARTNERING WITH REGIONAL, STATE, AND NATIONAL NETWORKS

- Served as statewide hub for US Ignite and National Science Foundation (Ignite MN)
- Created and launched an Agriculture Tech Challenge
- Convened multi-sector business and organization leaders

CREATING A NEW WAY TO SUPPORT ENTREPRENEURS

- Led and organized a 20 county pilot in Southern MN
- Assisted entrepreneurs to navigate and connect to resources
- Increased efficiency and sustainability of entrepreneurial efforts

RAISING PRIVATE INVESTMENT DOLLARS

- Raised \$500,000 to support and launch businesses
- Introduced 13 businesses to Golden Triangle Fund
- Hosted 10 investor events and meetings

STRENGTHENING OUR BUSINESS ENVIRONMENT



HOSTING A CO-WORKING SPACE TO WORK AND MEET

- Hosted 150+ meetings
- Welcomed 15+ co-working members
- Managed about 8,000 square feet of offices, conference rooms and amenities

MANAGING A REGIONAL MAKERSPACE

- Recruited 7 lab managers
- Secured woodworking, metalworking, CNC Machines, 3D and other tools
- Partnered with MN State College SE for designated space to learn, create & innovate

GROWING THE TALENT PIPELINE

- Supported 19 established businesses
- Facilitated a college technology internship
- Convened and coordinated the Learn and Earn Program
- Led High School Career Pathways

BUILDING OUR FUTURE WORKFORCE



CONNECTING STUDENTS TO BUSINESSES

- Awarded a grant from Department of Labor and Industry only 1 in 5 pilots in MN
- Formed, led and convened 7 school districts, 20 students, 14 businesses and MN State College SE
- Certified 20 students with an industry recognized credential (OSHA 10)

ELEVATING STEAM LEARNING

- Drove the dialogue with academic and community partners to fund and implement a sustainable model to teach 21st Century skills
- Influenced high school career pathways on STEAM learning and entrepreneurship
- Mentored students ages 7-17 through a Coder Dojo program

RECRUITING STUDENTS TO SOLVE TECH CHALLENGES

- Facilitated 3rd annual paid tech internship
- Connected 2 college students to local businesses

Faribault Diversity Coalition-

Formed

Open doors in 1995 but closed for a bit around the mid 2000's.

Services offered

Five areas of public programming: community engagement, advocacy, youth development, activism, U.S basics (cultural orientation and adult ESL basics), and economic development. Under economic development there is the coworking space and educational programming.

Coworking came about because they had office space that wasn't being fully utilized and they wanted to be able to share their resources of internet, a printer, and scanner to lower the barriers for a brand-new business. Membership based but there may be a possibility of exchanging services for a discount on membership fee.

Funding sources

Grant funded, primarily from State agencies. Smaller grants through SMIF and United Way MN. Looking to expand earned income programming like the coworking space and their traveling museum exhibits that they rent to schools and other non-profits. They want to make their events accessible, so they do not ticket for their events.

Collaborations

They want to be able to use the space to bring together community partners by offering free memberships to the Chamber of Commerce, South Central College, and others that have a vested interest in their coworking clients. This will increase their access to those whose mission they serve.

Metrics for growth

They plan on using surveying to collect data on the following metrics: Relationships they are fostering, client size and growth, and tracking how the community's attitudes around some of their underrepresented communities change as they work closely to one each other.

Feedback mechanisms for entrepreneurs

None mentioned.

Needs

Want to look into ways to build out minority-led consulting firms to that the technical assistance is representative of the community it is serving. This would involve long range planning of how to build out the knowledge pool in the communities, how to get a group of people to invest in themselves in terms of skill development, then how to create structures that allow them to work as consultants and further work within their communities to do this work.

Mogwai Collaborative

Formed

July 2018

Services offered

- Networking events
- Coworking office space
- Meeting space
- On-site cafe
- Fiber internet
- Media Room
- Private furnished offices

Funding sources

Memberships are all inclusive starting at \$249 a month - with our leases being month to month. Executive Private office suites start at \$500-\$1000 and require a min of a 6-month lease.

Collaborations

Currently looking for sponsorships from a higher education institution. They sponsor 1 Million cups and attend Greater Mankato Growth networking events. They also partner with local artists for their artist of the month program.

Metrics for growth

Monthly membership numbers.

Feedback mechanisms for entrepreneurs

Feedback from tours, public speaking, networking events, etc.

Needs

They are in need of storytelling assistance and metric creation.

Nettle Valley Farm Incubator

Formed

2019

Services offered

Infrastructure, electricity and well water, tools, low-rate equipment rental, basic business support on how to start an LLC, set up bookkeeping and accounting systems, taxes, etc., regenerative farming library, marketing opportunities, access to small, low-interest micro-loans, surplus wild and cultivated food from the land.

Funding sources

For-profit pork operation and the incubator participants provide 20 hours of labor a month.

Collaborations

Local non-profits like Land Stewardship Project, Sustainable Farming Association of Minnesota, Renewing the Countryside, Practical Farmers of Iowa. Their farm loan is from Merchant Bank and they also work with the Spring Grove Economic Development Agency.

The incubator participants are chosen based on niches that the farm needs. The current participants include one farmer who raises chickens and grazes sheep. The other grazes goats, raising ducks, and growing market veggies.

Metrics for growth

“...it is pretty hard to, at any scale it is very difficult to make a living farming, and so it is not like I am going to ask [the participants] if they were profitable or not this year. Cause there will be a lot of experiments. So no, not hard and fast metrics. If we do any sort of end of season review, it will be sort of qualitative not quantitative.”

Feedback mechanisms for entrepreneurs

Monthly check-in conversations.

Needs

Money to purchase land and follow through with the ideas that are developed during the meetings and workshops facilitated by non-profits in the region.

Appendix A

Survey intended to be fill out by the organizations- This was distributed by email to organizations in the region.

https://umn.qualtrics.com/jfe/form/SV_1XDcW1iJwvkIXUh

For Entrepreneurs- This can be used for future survey work to gain a perspective from entrepreneurs. This can be compared to the organization perspective to look for discrepancies.

https://umn.qualtrics.com/jfe/form/SV_08K8026zCyfjAFL

Appendix B

Organization	Survey Response	Interview Response
ALEDA/Albert Lea Entrepreneurial Advancement Program	X	X
Austin Community Growth Ventures LLC/The Start Up Factory		
City of Stewartville/Business Incubation Program		
Faribault Diversity Coalition Coworking Space		X
Mankato Area Foundation/Shared Spaces Entrepreneurial Collaboration Center and Meeting Space (for nonprofits)	X	
Mayo Clinic Ventures	X	
MN State University Mankato Center for Innovation & Entrepreneurship/Mankato Makerspace	X	X
Northfield Enterprise Center/SPUR	X	
Owatonna Area Business Development Center	X	X
Red Wing Downtown Main Street Inc/Red Wing Innovation Incubator		
Red Wing Ignite	X	X
Rochester Area Economic Development Incorporated/Mayo Clinic Business Accelerator Entrepreneurship Initiative		
Saint James Economic Development Authority/St. James Commercial Kitchen	X	
Southern Research and Outreach Center		
Spring Grove Public School/Community Makerspace Program		
Spring Valley Economic Development Authority/Spring Valley Incubation & Acceleration for Indoor and Outdoor Spaces	X	
The Hormel Institute		
The Park - Shared Work Space		
Winona Port Authority	X	
The Garage Co-Working Space	X	
Blue Earth Economic Development Authority/Blue Earth REV		
Lake City Economic Development Authority/Lake City REV		X
Lanesboro Economic Development Authority/Spring Valley-Lanesboro REV		
City of Le Sueur/ Le Sueur REV	X	
Spring Grove Economic Development Authority/Spring Grove REV	X	X
City of Spring Valley/Spring Valley-Lanesboro REV		
Waseca Economic Development Authority	X	
Mogwai Collaborative	X	X
Collider Coworking	X	
Nettle Valley Farm Incubator		X
Launch	X	

Appendix C

Key Definitions

Term	Scholarly Definition
Incubator	An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections ²
	Characteristics: They are nonprofit organizations, frequently associated with universities. They provide office space at reasonable rates for the startups they support. They target local startups. They do not invest in the startups.³
Accelerator	Accelerator was often defined by its deviation from an incubator.
	Characteristics: They are typically for-profit organizations that receive equity in exchange for the provision of funding to the startups. They do not necessarily provide office space for the startups they support, but typically provide meeting space. They target regional, national, or even global startups.³
Coworking	Localized spaces where independent professionals work sharing resources and are open to share their knowledge with the rest of the community.⁴

² “Business Incubator Definition - Entrepreneur Small Business Encyclopedia.” Entrepreneur, Entrepreneur Media, Inc., www.entrepreneur.com/encyclopedia/business-incubator.

³ Dempwolf, C Scott, et al. “Innovation Accelerators: Defining Characteristics Among Startup Assistance Organizations.” SBA Office of Advocacy, Oct. 2014.

⁴ Capdevila, Ignasi, “Knowledge Dynamics in Localized Communities: Coworking Spaces as Microclusters.” December 9, 2013. <https://ssrn.com/abstract=2414121>

Appendix D

Initial proposed case studies:

Private non-profit	Owatonna Incubator IGNITE Center for Innovation and Entrepreneurship
Private for-profit	Collider Lake City Business Center⁵
Public Economic Development	CEDA (Community Economic Development Associates) RAEDI

Final case studies:

Private non-profit	Owatonna Incubator IGNITE Center for Innovation and Entrepreneurship Faribault Diversity Coalition
Private for-profit	Mogwai Collaborative Nettle Valley Farm Incubator
Public Economic Development	CEDA (Community Economic Development Associates) ALEDA (Albert Lea Economic Development Agency) Spring Grove Economic Development Authority

⁵ Changes were made to which organizations would be highlighted in the case studies throughout the project based on who responded to requests to be interviewed and suggests on additional places that were noted throughout the project. One worth noting is the Lake City Business Center who is no longer operating. We were not able to get ahold of the owner directly and learned about this through other interviews, so they are not included in the final case studies. Inquiries about the business can be made to the Lake City EDA.

Appendix E

Survey Codebook

Terms

Category	Code	Code Description	Frequency
1. How do you define your operation as a coworking space?			
What they provide/services offered	Offices, rooms, desks	Conference rooms, shared workspace	4
	Center for collaboration	Collaborative space, center for non-profit collaboration	2
	Community hub	Hub for the community, strength business community	2
	Resource hub		2
	Not financial services	Don't provide funding	1
Who utilizes them	Entrepreneurs		3
	Remote-workers	Home-office alternative	3
	Freelancers		2
	Non-profits	Individuals	2

Selected Quotes

“Coworking involves a shared workplace, often an office Utilized by entrepreneurs, freelancers, remote workers and nonprofits that are not employed by the same organization.”

“Coworking is a collaborative flex space/shared workspace used by people who work for different companies, remote workers, startups, corporate partnerships, home office alternative etc...”

Category	Code	Code Description	Frequency
2. How do you define your operation as an Incubator?			
What they provide/services offered	Space	Manufacturing, office, subsidized vacant buildings, meeting	4
	Expertise	Consulting	2
	Educational programming	Online	1
Who utilizes them	Community	Business community, city. Local economy	3
	Local businesses	Early stage	2

Selected Quotes

“We offer consulting services and have manufacturing and office space available.”

Category	Code	Code Description	Frequency
3. How do you define your operation as an accelerator?			
What they provide/services offered	Space	Office space, subsidized rent in vacant buildings	3
	Expertise	SBDC consultants and center	2
	Educational programming	A business center and online business courses	2
	Funding		1
Who utilizes them	Entrepreneurs	Early stage businesses	2
	Local	Businesses, economy	1

Selected Quotes

“Ecosystem builder and educational center, cultivating innovation and accelerating entrepreneurs”

Category	Code	Code Description	Frequency
4. How do you define your operation as an economic development organization?			
How they are structured	Designated creation	By statute, city council	2
	Government	Department of city, county, volunteer board	3
Who utilizes them	Growth	Growth of city, jobs, businesses	3
	Housing	Housing and redevelopment authority	1

Selected Quotes

“A city department and volunteer board that works to improve quality of life and help businesses to grow our community.”

“Advocate for the creation of jobs and tax base.”

Capacity

Category	Capacity Metric	Description	Frequency
Economic development	Staffing	Number of employees	5
Incubators/Accelerators	Number of start ups	Number of start-ups served	3
	Space	Office and manufacturing	2
	Education	Online training capacity, student worksite learning	2
	Staffing	Full-time and student workers	2
Coworking	Members		4
	Office space	Executive office suites, square footage	1

Infrastructure

Category	Code	Code Description	Frequency
1. What does success in the area of Infrastructure look like in your community?			
Physical Needed	Business/retail space	Quality and affordable	8
	Collaboration space	Multiple people in a space	6
	Bandwidth connection	Competitive nationwide	3
Connected	Sharing resources	Space, programming, and educational	4
	Connecting with community	Using spaces for community events, business to business connections	2
	Regional connectedness	Currently insular communities	1

Selected Quotes

“A vibrant community that consists of clusters of business (coworking, accelerators, incubators, offices spaces) that hosts people from the community as well as visitors to our community. Placing people in shared spaces promotes connectivity that is often not achieved within the walls of independent businesses. “

“Having quality, affordable spaces that have bandwidth connections that are competitive in the nationwide business space.”

“Need more retail space--we have very few available storefronts and industrial lots. We could also use more regional connections as our community is fairly insular.”

Expertise

Category	Code	Code Description	Frequency
2. What does success in the area of expertise look like in your community?			
Business people	Consulting/advising	Cadre of professionals and volunteers	7
	Volunteering		2
	Innovation mindset	Must have or be willing to develop	1
Resources	Sharing structure	Formal structure for sharing expertise, being able to make connections	5
	E-resources	Online resource guide to support business development	1
Community	Community engagement	Open, inclusive	2
	Community members	Productive, happy workforce	2
	Growth of local businesses	Happy clients that grow local business	1

Selected Quotes

“Talented, innovative business people with an unselfish motivation to coach and mentor. They must have an innovative mind set or be willing to develop one.”

“Building a cadre of professionals and volunteers that can consult with and advise entrepreneurs for current and future needs”

Support Services

Category	Code	Code Description	Frequency
3. What does success in the area of support services look like in your community?			
Which services	Financing	Angel investments, local wealth, grant funds from SMIF	11
	Legal		3
	Local organizations	EDA, RCTC workforce business development, advisory boards	3
	Accounting		2
	Marketing		2
	Internet	Internet providers, IT	2
	Real estate		1
	Higher education institutions		1
Considerations	Having multiple options	Lending sources, internet providers, banks	5
	Accessibility	Having them at community spaces, entrepreneurial events and spaces, flexible pricing structures	3

Selected Quotes

“Having multiple lending sources that understand entrepreneurial business needs, vendors of technical services that cover a wide spectrum of needs, professional services such as legal, accounting, and marketing to support new business starts.”

“Basic services, IT, accounting, and legal with a willingness to tier price for startups.”

“Having lawyers, real estate agents, bankers, etc. available as mentors and connections for startups - having them come to events like 1MC to support startups and having them participate in investment groups, advisory boards, etc.”

Capital

Category	Code	Code Description	Frequency
4. What does success in the area of capital look like in your community?			
Who has the need	Start ups	Potential ventures, start-ups, emerging companies	6
	Established	Business expansion, further along businesses	3
Community resources	Capital	Angel investors, investor groups, EDA business subsidy, SMIF grant	3
	Expertise		1
	Real estate		1
Types of capital	Venture funding	Connections to	3
	Equity	Access to private equity, sustainable, understands risk	3
	Loan	SBDC/SBA, micro loan fund,	2
Misc.	Process	Improve process time, process for further along businesses	2

Selected Quotes

“Having angel investors, investor groups, and connections with venture funds to help fund new starts and expansions that also have the expertise to add value to the capital provided.”

“Being able to point people toward potential funding or help them fund potential ventures. “

“Success in the form of capital has to include access to private equity.”

“Having a micro-loan fund available for small expenditures needed during the early startup stages. Having a smooth process to refer businesses that are further along to find capital in the community (SBDC/SBA loans, etc).”

Community Enablement

Category	Code	Code Description	Frequency
5. What does success in the area of community enablement look like in your community?			
Programming	Hosting educational events	Educational partnerships with community college, school projects, job skills courses	5
	Hosting networking events	1 Million Cups	2
Entities	Schools	Community colleges, schools	3
	Chamber	Collaborative programming, Downtown retail challenge	2
	EDA		2
	Policy makers	City government policies	2
	Property owners	Property owners supporting businesses expansion	1
	City Government		1
Efforts	Support for entrepreneurial programming		8
	Lowering costs	Subsidizing costs, affordable pricing, involving banks	3
	Culture of trying	Sense of safety to try new things	2
	Marketing of services to community	Small grant to increase awareness of services	2
	Engaging directly with entrepreneurs to find needs		1
	Makers Space		1

Selected Quotes

“Instilling the concept of entrepreneurship early in life, having school projects that involve students in business planning and operation, encouraging creative thinking to help identify and form opportunities, and teaching how to methodically work through problems and opportunities to maximize benefits. Craft in-home business policies to encourage entrepreneurship without causing significant problems for neighbors.”

“Our community should design its programming and policies by DIRECTLY engaging with its entrepreneurial community to find out what they really need vs. a lot of academic and consulting time that usually results in programs and policies that do no serve entrepreneurs but are a "feel good" commitment.”

“Support for things like 1MC that showcase and help startup businesses. Celebrations of trying - not always of successes - to encourage the idea of trying, even if failure is likely. Tolerance of failure and a culture of that are key for entrepreneurs to feel safe to try new things.”

Ranking

What is the name of your enterprise?	Infrastructure	Expertise	Support services	Capital	Community enablement
Waseca Economic Development Authority	2	4	1	5	3
Spring Grove EDA	3	4	1	2	5
Shared Spaces	1	2	4	5	3
Spring Valley Incubator and Acceleration Pilot Program	1	2	3	4	5
The Garage Co-Work Space	5	2	3	4	1
Collider Coworking	3	2	1	5	4
Mogwai Collaborative	1	2	3	4	5
Northfield Enterprise Center	5	2	4	3	1
Center for Innovation & Entrepreneurship	1	2	3	5	4
City of Le Sueur Economic Development Authority	4	3	2	1	5
Averaged ranking	2.6	2.5	2.5	3.8	3.6

Appendix F

Interview Codebook

Demographics

Clients	Category	Description	Frequency
Outsourced Economy	Telecommuters		5
Entrepreneurs	Ethnicity/Race		5
	Gender	Men and women	2
	Age	Young, middle-aged, late 20's	3
	Lack of Business Knowledge	Come to them looking for the tools	2
	Students		1

	Category	Description	Frequency
Industries	Dictated by Resources	Staffing	2
	Goods	Agriculture	3
		Construction	2
		Manufacturing	8
	Services	Restaurants	3
		Medicine	2
		Design	2
		Retail	2

Selected Quotes

“it will be a family or a couple that has started a business and needs help. Or they want to start a business and not sure how to go about it. “

“the primary minority ethnic groups would be East African refugees mostly from Somalia and Latin American immigrants, but we also are the Home to two Minnesota state Academies. the state academy to the Blind and the state academy for the Deaf. We also have a state prison in the community, so our definitions of diversity are a little bit broader than racial and ethnic identity, it includes gender identity, disability status, criminal history. So,

trying to find ways to help anyone has additional barriers. Starting a business is already hard enough on its own but especially when you have these extra Factor stacked up against you so we're trying to reduce those barriers”

our main focus is students. And helping student entrepreneurs and student innovators that has ideas that they want to develop. We work primarily with students in terms of helping get their businesses off the ground identifying partnerships”

Value

	Category	Description	Frequency
Value provided to Entrepreneurs	Connectivity	To resources and people, in and out of the community	3
	Planning	Business plans, time to work out issues	3
	Save Money	Save money through free services and by lowering initial costs	3

Selected Quotes

“And we are a consulting service that adds value to things. And if the entrepreneur doesn’t see value, then they don’t utilize us. If they do see value, yeah, they can utilize us.”

“I give them an opportunity to work it out on paper. To build a company on paper, make the mistakes on paper, learn things on paper, and then go out and make it real. So we can start on the dream, before they have to quit their full-time job”

“We can help them save a little bit of money oh, really help them lean into their plan and their business before making that leap into paying for rent monthly.”

“...Here is a place for you to be while you grow your business that is pretty low cost. And supportive. Built in community, built in friends, built in support.”

Feedback Mechanisms for Entrepreneurs

	Category	Description	Frequency
Feedback mechanisms	None		3
	Informal	Conversations, check-ins	1
	Surveying	Surveys sent to entrepreneurs by the organization	1

Selected Quotes

“I check in with them. I am going to be doing check ins with them ideally every two weeks and then once we get our footing, every month. Yeah constant feedback.”

“we have those mechanism set up for individual contracts like the city council's in the EDA members that we contract with. They fill out evaluations every year. We do not have a formal feedback for the entrepreneurs that we use that we help.”

“Red Wing Ignite has in the past randomly surveyed our entrepreneurs we have helped or different people we have helped“

Needs

	Category	Description	Frequency
Expressed Needs	Connectivity	To resources and people, in and out of the community, peer networks	3
	Capital	Private equity, money for land, for staffing, for seed funding, to pay for services, educational efforts to entrepreneurs understand how to become financeable	8
	Resources	Homogeneity in financial spread/forecasting format, software, building out minority-led consulting firms, chamber of commerce, meeting space, in-depth business coaching, ways to find what is currently available	3

Selected Quotes

“But we were all on the same page about what was required for business plans. I think that would be helpful. A standard. Maybe make a new format or something...I go to a conference for this with a bunch of SBDC people and it seems like every last one of them out of a group of 50, every last one of them is using a different spread sheet. “

“One thing I really think we need is a chamber of commerce which we don't have currently in town. ...So, I think having a neutral organization like a chamber that is dedicated to helping businesses and if someone that I can work with. I would love my dream is to have a coworking space but that is less formal and more of a coffee shop feel or people don't really need a membership, but they can just come in and come out because it's in my office that I share with the chamber. So, there's a chamber director's office there's my ETA director's office and then there's space where people can come and work and have meetings then we are right there to help with questions or need assistance with things”

“...but to be able to give somebody something so they will have a roadmap and know where to start. And for each of my dots on my roadmap, I know who the people in my community are and maybe who are the people in my region, or wherever, that I can contact, work with, contract with, depending on the situation, to help me along my journey. So that I am not constantly wondering what the heck I am supposed to be doing, or who will help me, or who will give me the time of day on these things and kind of giving them something that makes it a little bit easier to navigate the systems that are already existing.”

“I think one of the big things would be to come up with some kind of asset mapping to say here is the list of organizations that are available. And maybe somebody has done that. But it isn't readily available, in my mind, to an entrepreneur that is just starting a business.”